

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1336

Washington, D. C.

May 12, 1951

Ceiling Price Regulation 22

Supplementary Regulation 2 to CPR 22 provides a fifth method of determining ceiling prices.

A summary of SR 2 is reproduced on page 194. Text of SR 2 is being mailed to members as a Supplement to this issue of the INFORMATION LETTER.

Tariffs on Canned Foods Cut In Negotiations at Torquay

Canned fish products are the principal canned foods on which the United States will reduce its tariffs as the result of trade agreements negotiations at Torquay, England.

The United States on May 9 announced the results of the "third round" tariff negotiations under the reciprocal trade agreements program, held at Torquay from September of last year through April 21.

The United States agreed to lower its tariffs on many items imported into this country, including all canned salmon, bonito and yellowtail, razor clams and clam chowder, antipasto, mushrooms, and grape juice and

(Please turn to page 196)

Farm Labor Supply Bill

The Ellender bill, S. 984, to provide for the importation of Mexican nationals for agricultural employment, was passed by the Senate on May 7 and sent to the House.

As approved by the Senate, the bill would make it a felony, punishable by a fine of not exceeding \$2,000 and by imprisonment not exceeding one year, for knowingly employing a Mexican alien who has entered the United States illegally or is unlawfully residing in the United States. Penalties would apply to each violation. In addition, the bill would ban the use of Mexican nationals by employers who employ "wetbacks."

A companion measure, H. R. 3283, is pending before the House Rules Committee awaiting scheduling for floor debate.

N.C.A. Board Plans Full Discussion Of Government Control Programs

The Thursday afternoon, May 24, session of the N.C.A. Board of Directors has been designed to bring about the greatest possible participation of Board members in discussions of the present emergency. From questions that have reached Association headquarters by telephone and mail in recent weeks, it is apparent that canners have numerous questions and problems and the N.C.A. will offer in the Board sessions a real opportunity to get them discussed and answered.

For that reason, the program is planned to bring to the sessions the men in government who are closest to the phases of control programs that affect canning and therefore in best position to answer questions Board members are urged to ask. Each speaker will use a few minutes to make statements covering the progress and status of the control programs and devote most of his time to answering questions.

The representative on price control matters will be George Mehren, assistant director of the Food and Restaurant Division, Office of Price Stabilization, and on procurement, Lt. Col. W. F. Durbin, Subsistence Branch, Supply Division of the Office of the Quartermaster General.

Since the U. S. Department of Agriculture is the claimant agency under the present directive and therefore the government spokesman for canning industry phases of all the control programs, S. R. Smith, Director of the Fruit and Vegetable Branch, Production and Marketing Administration, with members of his staff, will be prepared to cover these various program phases, including manpower, priorities, and the Controlled Materials Plan.

The agenda for the Friday, May 25, session of the Board is being completed and will be announced in next week's INFORMATION LETTER. The morning session that day will take up matters of Association business and a luncheon speaker, a government official, is being scheduled.

The N.C.A. War Mobilization Committee has been called to meet at Association headquarters Wednesday, May 23, and the Labeling and Statis-

(Please turn to page 195)

Charles W. Crawford Succeeds Dr. Dunbar as Chief of FDA

Retirement of Dr. Paul B. Dunbar, Commissioner of Food and Drugs, has been announced by the Federal Security Administrator.

Dr. Dunbar, who will be 69 on May 29, has spent nearly 44 years in government service. At his request, his retirement will be effective May 31.

Charles W. Crawford, Deputy Commissioner, was appointed to succeed Dr. Dunbar. Mr. Crawford has been in government service 34 years.

Mr. Crawford was engaged in Food and Drug activities at Chicago and New Orleans as a analyst before coming to Washington in 1918. In 1928, he became head of a new division handling enforcement activities. He was appointed Assistant Commissioner in 1942, and Deputy Commissioner in 1944.

He was FDA's principal representative in discussions with legislative advisors and members of Congress who wrote the present Federal Food, Drug, and Cosmetic Act of 1938.

Dr. Dunbar was selected by Dr. Harvey W. Wiley as one of the original group to undertake enforcement of the Pure Food and Drugs Act of 1906. He has been Commissioner of Food and Drugs since 1944.

DEFENSE

Alternate Pricing Method Provided Under Manufacturers' General Ceiling Price Regulation

OPS has afforded to canners whose dry-line products, such as canned dry beans, macaroni, spaghetti and canned fish and meats must be priced under the Manufacturers' General Ceiling Price Regulation, CPR 22, an alternate method for determining ceiling prices. Text of Supplementary Regulation 2 to CPR 22 is being mailed to members as a Supplement to this issue of the INFORMATION LETTER.

The general theory of Supplementary Regulation 2 is to enable a seller to apply the permitted labor cost adjustment and materials cost adjustment so as to obtain a deduction from or addition to the ceiling prices established under the General Ceiling Price Regulation. On an average basis he can thus reduce or increase the prices frozen last January 26 by the amount of the difference between the adjusted base period prices and the 1951 prices under the price freeze order.

The detailed operation of SR 2 is explained below. It is intended to be utilized by sellers who produce a wide range of products employing many different materials which may have experienced varying cost increases. In such instances calculation of individual price adjustments for each commodity against the pre-Korean prices has proved very burdensome. The Supplement permits the use, within limits, of an averaging technique, and to some extent the maintenance of the existing 1951 price relationships between his different products.

How SR 2 to CPR 22 Works

Under SR 2 to CPR 22 the canner determines, either for his entire line of products or for particular categories or product lines, the percentage of his "labor cost adjustment factor" reflecting the permitted increase in labor costs. In doing so he follows Section 8 of CPR 22 without change. He next determines the percentage of his materials cost adjustment factor under the controlling sections of CPR 22, i.e., Sections 13(d), 15(c), or 16(d). (Caution must be exercised in applying the proper cutoff dates for each of these, materials cost increases.) He adds these two percentages together to obtain a single percentage figure which, within the context of the regulation, represents the total permitted percentage increase over his base period prices.

For each category or product line, or for his entire business, he determines the total number of units (dozens, cases, etc.) which he sold during the last fiscal year ending before December 31, 1950. Thus if he is on a calendar year basis, he takes

the total number of units sold during the entire calendar year 1950.

The number of units for the entire fiscal or calendar year in 1950 is multiplied by the "base period price" determined under Section 6 of CPR 22. (This base period price, it will be recalled, must be determined according to the price to the "largest buying class of purchaser." In most instances, this may be the canner's price to his regular customers.) This multiplication yields the total value of his sales for the 12-month period at "base period prices" for the entire business, or category, or product line, as the case may be.

Substantially the same operation is carried out to determine what the 1950 volume would have been priced at under the GCPR prices, that is, the prices established by the 1951 freeze order. This yields the total value of the 1950 sales at GCPR prices.

The two total values are compared by dividing the GCPR total sales value (for the 1950 volume) by the total sales value of the same volume at the base period price. This percentage is called the "actual price ratio." In effect, it compares the aggregate 1950 sales value at the base period prices with the aggregate sales value of the same goods if they had been sold at the 1951 prices fixed under the freezing order.

The canner next adds 100 percent to his "total cost adjustment factor" (the percentage figure previously determined to reflect the percentage markup over base period prices reflecting labor and materials cost increases.) This yields his so-called "permissible ceiling price ratio."

The "permissible price ceiling ratio" percentage is then divided by the "actual price ratio" (previously determined to reflect the relationship between the total sales value under base period prices and GCPR prices), and this yields the "price adjustment ratio" to be applied to the GCPR prices.

To illustrate the foregoing: With respect to his canned dried bean line of products, a canner under CPR 22 finds that his labor cost adjustment factor is 3 percent, and his materials cost adjustment factor is 7 percent. The total is 10 percent, which becomes his "total cost adjustment factor." Since he operates on a calendar year, he uses the entire year 1950 and finds that he sold 200,000 dozen in that year. In the pre-Korean base period, that is, the calendar quarter ending June 24, 1950, his price was 95 cents per dozen. Multiplying the entire 1950

sales by this base period price yields \$190,000. At the time the price freeze order became effective his ceiling price for the same product was fixed at \$1.10 per dozen. Multiplying the 1950 volume of 200,000 dozen by this ceiling price yields \$220,000. The ratio between the two total sales values is 115.8%. His "permissible ceiling price ratio" (the percentage of cost increases plus 100) is 110%. (Dividing the latter by the ratio between the two aggregate sales volumes yields 94.99 percent. Applying this percentage to his GCPR price of \$1.10, gives him a ceiling price under the new Supplement of \$1.05 cents per dozen.

There are a number of limitations in the use of the Supplement. If a canner operates only one plant and uses the Supplement to find the prices for one product line or category, he must use it for all products packed in that plant. He must apply all of the discounts and allowances and functional price differences that were applicable during the base period for other classes of customers where sales are made to these classifications. Except for the use of the 1950 volumes, in determining his ceiling prices, all other provisions of CPR 22 remain applicable.

Lastly, if the Supplement does not afford a practicable method for pricing, but the canner believes that its principles can be utilized, he may develop a proposed method in conformity with these principles. He is permitted to submit this proposed method to the Director of Price Stabilization with a considerable amount of prescribed information (Section 6(b)) indicating the general range of his new ceiling prices. A proposed method cannot be used until it has been approved in writing by the Director.

Whether this alternate method, specified in Supplementary Regulation 2 for calculating ceiling prices for those products covered by CPR 22, will afford any real relief from the formidable burdens of calculations and paper work required by CPR 22, remains to be seen. On the basis of current reports many of those subject to CPR 22 are finding that the task of completing the necessary calculations prior to the announced effective date of May 28, 1951, is so onerous as to make timely compliance almost impossible. Moreover, where the resulting price ceilings will yield prices higher than the GCPR, the seller is required by Section 46 (b) to file a report of such prices by registered mail and to wait 15 days before selling at these prices. Necessarily, this 15-day waiting period cannot begin until the required intricate calculations are completed. Whether OPS will find it necessary to extend the effective date of CPR 22 as it has found it necessary to extend the dates of certain other regulations, cannot be presently determined.

Code Numbers under CPR 22

Amendment 1 to CPR 22, issued May 4, lists codes to be filled in the upper right-hand corner of OPS Public Form 8 by manufacturers subject to CPR 22. Codes applicable to canners who will price under CPR 22 are:

26-2031 Canned seafood.

23-2033 Canned fruits, vegetables, and soups; preserves, jams, and jellies.

23-2035 Pickled fruits and vegetables; vegetable sauces and seasonings.

Ceiling Prices on Food Imports

The Office of Price Stabilization has issued Ceiling Price Regulation 31, providing a formula whereby importers, wholesalers and retailers of imported commodities will determine their ceiling prices. The effective date of the order has been postponed until June 1.

For each type of seller, the ceiling price for each commodity will be the landed cost of the commodity plus a dollar and cent markup based on sales during the base period, July 1, 1949, through June 30, 1950.

Fresh, chilled and frozen meats are exempted from the order.

Prices Under Export Contracts

The Office of Price Stabilization this week authorized producer exporters to make deliveries at the contract price of commodities for export provided that the deliveries are made pursuant to contracts for export sales entered into before the general price freeze, or before February 2, 1951, but pursuant to firm written offers for export sale made by the producer exporter on or before January 26, 1951. The authorization, which took the form of a revision of Supplemental Regulation 9 to the GCPR, thus extends to producer-exporters the export exemption previously granted to merchant exporters.

The exemption is limited to export sales of commodities which remain under GCPR. It does not apply to export sales of commodities which are covered by the Manufacturers' General Ceiling Price Regulation, CPR 30, or other regulations applicable to particular industries. Revision 1 of Supplemental Regulation 9 to the GCPR became effective May 12, 1951.

PMA Staff Organization

The following appointments to positions in the Production and Marketing Administration of USDA have been announced by Gus F. Geissler, Administrator:

Roy W. Lennartson became Assistant Administrator for Marketing, succeeding John I. Thompson, whose resignation became effective April 27.

Raub Snyder becomes Assistant Administrator for Production, taking over the position held by Harold K. Hill before his recent appointment as Deputy Administrator.

Richard B. Bridgforth of Kenbridge, Va., will serve as Assistant to the Assistant Administrator for Production, Mr. Snyder.

Charley Mays of Greenville, Tenn., will be Director of the Agricultural Conservation Programs (ACP) Branch. Thomas B. Joyce, Deputy Director, has been serving as Acting Director of that Branch.

INSPECTION

Federal Meat Grading Service

In line with OPS' Distribution Regulation 2, under which meat must be federally graded after May 7, the Production and Marketing Administration of USDA is expanding the federal meat grading service. USDA is grading the output of Class 1 (federally inspected) and Class 2 (commercial slaughterers not federally inspected) slaughterers and plans to provide the grading service to Class 3 (farm) slaughterers where practicable. The cost of grading will be paid at the regular rate of \$3.60 an hour.

N.C.A. Board Meeting

(Concluded from page 193)

tics Committees also will be in session that day.

On Thursday morning the Administrative Council will meet in the N.C.A. Conference Room, and at the same time the Association of Cannery State and Regional Secretaries will hold a business meeting in the Library.

All groups will come together for luncheon at Hotel Statler that day to be followed by the afternoon session of the Board. Secretary Campbell will entertain at his annual cocktail party at the Campbell residence in Arlington at 5 p.m.

DEATHS

George S. Bones

George S. Bones, 82, who was for 20 years the Wisconsin and Minnesota representative of the American Can Company, and a leading figure in Old Guard Society activities, died recently at his home in Milwaukee.

Mr. Bones was born in New York City in 1869 and attended Brooklyn Collegiate and Polytechnic Institute, Swarthmore College and Colorado State College of Mines. He formed the Andrew Bones Can Company in Omaha, which was sold to American Can Company soon after the latter was organized. Mr. Bones' long service with Canco began in 1901 and was continuous until his retirement 13 years ago. During this time he was a conspicuous figure at Wisconsin and N.C.A. annual conventions and served a term as president of the Old Guard Society.

Frank E. Brewer

Frank E. Brewer, 77, former president of the Western Grocer and Marshall Canning Co. and an active participant in N.C.A. activities, died April 25 in Marshalltown, Iowa.

Mr. Brewer became associated with Western Grocer Company in 1903 at Albert Lea, Minn. In 1924 he went to Marshalltown as vice president and general manager of the company. He was elected president in 1927, and held that post until his retirement in June of 1946.

He served the N.C.A. as a member of the Board of Directors in 1933-35 and 1937-39; on the Administrative Council, 1937-41; and as a member of the Finance Committee, 1937-41 and 1944-45.

Mr. Brewer also was a member of the Old Guard.

STANDARDS

Grades for Sulfured Cherries

U. S. standards for grades of sulfured cherries have been revised by the Production and Marketing Administration, USDA. The grades are scheduled for publication in the *Federal Register* of May 12, to become effective June 12.

Tariffs on Canned Foods Cut

(Concluded from page 193)

grape syrup. Tariff cuts also were agreed to for certain classes of canned sardines and herring. The tariff on anchovies was "bound" at the present rate.

"In all cases," an announcement said, "concessions were granted on products which can be imported into this country to the advantage of the national economy."

In return for its concessions, this country will receive new foreign concessions on a very wide range of agricultural and industrial export products.

Other canned foods, notably pimientos, were the subject of negotiations, but the United States was not able to find a basis for changing the existing rates of duty.

Concessions negotiated at Torquay will be put into effect at various dates in 1951. The earliest date on which any United States concessions can be made effective is June 6.

The tariff concessions negotiated by the United States were formulated within the provisions of and under procedures laid down by the Trade Agreements Act of 1934, as amended and extended. A bill to further extend the reciprocal trade agreements program, H. R. 1612, was passed by the House on February 12 and was reported to the Senate on April 27. It awaits Senate consideration.

Under the reciprocal trade agreements program, one country negotiates bilaterally with the country which is "principal supplier" of a given commodity. Thus, the United States negotiated its tariff on canned salmon with Canada.

All tariff concessions provided for in the negotiations then are extended to all other countries participating in the trade agreements program. Since each of the concessions accrues to other nations in this manner, countries other than the "principal supplier" benefit from each concession on items of interest in its trade.

Under U. S. law, U. S. tariffs apply to imports from all countries.

Concessions Granted to the U. S.

A country-by-country summary of concessions granted on canned foods follows:

Austria agreed to reduce its tariffs on canned peaches, pineapple and grapefruit from 120 to 70 gold crowns per 100 kg.; on tomato juice from 180 to 60 gold crowns; and on grapefruit and pineapple juice and mixtures from 120 to 60 gold crowns.

Benelux (Belgium, Netherlands and Luxembourg customs union) agreed to reduce its tariff on canned apricots, pineapple, peaches, pears and mixtures and on tomato or pea soups from 30 to 25 percent ad valorem.

Brazil agreed to reduce its tariff on canned asparagus from 2.80 to 2.40 cruzeiros per legal kilo.

Canada agreed to reductions on the tariffs on canned pork, canned poultry, canned soups, canned beans, jellies, jams, marmalades, canned salmon, grape juice, and grapefruit juice. The tariff on grapefruit juice was cut from 15 to 10 percent ad valorem.

Cuba agreed to lower its tariff on canned baby foods in containers of not more than 5½ ounces to 0.02 pesos per kg.

Dominican Republic agreed to reduce its tariff on canned apples, pears, peaches, prunes, cherries, nectarines, and apricots from 0.12 to 0.10 pesos per net kilo.

France agreed to reduce its tariffs on fruit and vegetable juices in con-

tainers of less than one liter, including grape, tomato, and orange, from 18 to 15 percent ad valorem.

Federal Republic of Germany granted concessions on 14 canned fruits and juices and on tomato juice. Tariffs on canned pineapple and grapefruit were fixed at 20 percent and on canned pears, apricots, peaches and fruit salad at 35 percent ad valorem. The rate on tomato juice was set at 10 percent and the rate on other juices, sweetened and unsweetened, was set at 20 percent ad valorem.

Italy agreed to lower its tariff on canned meats from 40 to 25 percent ad valorem.

Norway agreed to reduce its tariff on vegetable juices, including tomato, from 0.60 to 0.50 crowns per kilo; and on vegetable soup from 30 percent ad valorem to 0.35 crowns per kilo, an estimated reduction of 8 percent.

Concessions Granted by the U. S.

Following is a compilation of concessions granted by the United States on canned foods:

Tariff paragraph	Commodity description and Country with whom Negotiated	Rate on Jan. 1, 1951	Rate under Torquay Agreement
718(a)	Fish, prepared or preserved in any manner, when packed in oil or oil and other substances:		
	Bonito and yellowtail: (Peru)		
	Valued not over 9 cents per pound.....	30.8%	22%
	Valued over 9 cents per pound.....	21%	15%
	Sardines neither skinned nor boned, but smoked before canning, valued over 18 but not over 23 cents per pound (Norway).....	20%	15%
	Anchovies, valued not over 9 cents per pound (Italy).....	22%	22%
	Antipasto valued not over 9 cents per pound (Italy).....	44%	22%
718(b)	Fish not in oil or in oil and other substances, in airtight containers weighing, with contents, not over 15 pounds each:		
	Salmon (Canada).....	25%	15%
	Sardines in immediate containers weighing, with contents, less than 8 ounces (Norway).....	12.5%	10%
	"Other" sardines and "other" herring (include snacks, tidbits, rollmops, sprats) (Norway).....	12.5%	6.25%
	Fish cakes, balls, and puddings (Norway).....	12.5%	6.25%
721(b)	Razor clams, canned (Canada).....	10%	7.5%
	Clam chowder, clam juice, and clam juice in combination with other substances (Canada).....	25%	17.5%
736	Blueberries: (Canada)		
	Frozen.....	10%	8.75%
	Otherwise prepared or preserved, nspf.....	10%	8.75%
768	Mushrooms, canned, or otherwise prepared or preserved (except dried) (France).....	5¢ lb. +15%	4¢ lb. +12.5%
806(a)	Grape juice, grape sirup, and similar grape products: (Canada)		
	Containing or producing less than 1% alcohol.....	70¢ gal.	45¢ gal.
Products Other than Canned			
740	Figs, fresh, dried or in brine: (Turkey)		
	Valued less than 7¢ pound.....	3¢ lb.	2.5¢ lb.
	Valued 7¢ or more per pound.....	3¢ lb.	2.5¢ lb.
766	Beets, fresh (other than sugar beets) (Canada).....	10%	5%
775	Cucumbers, pickled (Bendusa).....	25%	17.5%
	Onions, pickled or packed in salt or in brine (Bendusa).....	15%	12.5%

Where a percentage (%) is indicated, tariff is on an ad valorem basis.

CONGRESS

Text of Parity Provision of Defense Production Act
With Amendments Proposed by President

Section 402(d) (3) of the Defense Production Act is the portion of law which prescribes at what levels ceiling prices on agricultural commodities may be established and maintained. Following is the full text of Section 402(d) (3) together with the amendments proposed by the President in his message to Congress on April 26. The language proposed to be stricken from the Act is enclosed in brackets. The language proposed to be added by the Administration bills, S. 1397 and H. R. 3871, is in italics.

"No ceiling shall be established or maintained for any agricultural commodity below the highest of the following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, inclusive, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) in the case of any commodity for which the market was not active during the period May 24 to June 24, 1950, the average price received by producers during the most recent representative period prior to May 24, 1950, in which the market for such commodity was active as determined and adjusted by the Secretary of Agriculture to a level in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950, and adjusted by the Secretary for grade, location, and seasonal differentials, or (iv) in the case of fire-cured tobacco a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 75 per centum of the parity price of Burley tobacco of the corresponding crop, and in the case of dark air-cured tobacco and Virginia sun-cured tobacco, respectively, a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 66 2/3 per centum of the parity price of Burley tobacco of the corresponding crop. No ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or in substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in this sub-

section: *Provided, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. [Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity; and in establishing the ceiling (1) for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this Act and for which different areas have different periods of marketing during such season or (2) for any agricultural commodity produced for the same general use as a commodity described in (1), the President shall give due consideration to affording equitable treatment to all producers of the commodity for which the ceiling is being established.] Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President, from time to time, shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity. In establishing, maintaining, or adjusting a ceiling under this title, the President shall consider as being included in the price received by producers of any agricultural commodity any payments made under the authority of section 303 of this Act in connection with that commodity to or for the benefit of such producers. Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such Act. [Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under*

a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.] Whenever the Secretary of Agriculture finds that the minimum ceiling prices prescribed herein to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect the market supply and demand for milk and its products in any such marketing area, he shall determine such price as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, and no ceiling price shall be below the price so determined. For the purposes of this subsection the parity price of any agricultural commodity as of any date shall be the parity price of such commodity as of the beginning of the then current marketing year or season for the commodity, except that in the event that the marketing year or season then current commenced prior to June 1, 1951, such parity price as of any date during such year or season shall be the parity price for the commodity published by the Secretary of Agriculture on May 29, 1951. The marketing year or season for a commodity shall be determined by the Secretary of Agriculture; and, in the case of a commodity which the Secretary determines is not marketed on a marketing year or season basis, shall be the calendar year."*

Section 303 of the Act (referred to above) also would be amended under the President's proposal. The Administration amendment to Section 303 would authorize subsidy payments on both imported and domestically produced materials.

MANPOWER

Policies for Occupational Deferment of Reservists

Revised lists of essential activities and critical occupations have been issued for the guidance of the Department of Defense in scheduling calls on reservists to active duty and for the information of Selective Service in determining draft requirements.

A revised "List of Essential Activities" was issued April 8 by the Department of Commerce, and a revised "List of Critical Occupations" was issued May 7 by the Department of Labor.

The two lists are used by the Department of Defense but do not constitute an automatic deferment. The Selective Service System distributes the lists to draft boards but does not require their use.

The Department of Defense announced in August, 1950, that to obtain a deferment a reservist must be engaged in a critical occupation necessary to a highly essential activity, and he will be deferred only until he can be satisfactorily replaced in that occupation (see INFORMATION LETTER of August 12, 1950, page 247).

"List of Critical Occupations"

The "List of Critical Occupations" announced last August contained the following "professional and related occupations":

Agronomist, bacteriologist, biologist, botanist, analytical chemist, biological chemist, organic chemist, physical chemist, inorganic chemist, sanitary engineer, entomologist, physicist, and plant pathologist.

The same list contained the following "skilled occupations":

Foreman (critical occupations only)

Machinist—includes machinist, bench machinist, instrument maker, laboratory mechanic, lay-out man, marine machinist, job setter

Maintenance, mechanic

In its revised "List of Critical Occupations," issued May 8, the Labor Department added: "Farm operators and assistants."

"List of Essential Activities"

In issuing the revised "List of Essential Activities," the Commerce Department cited the major considerations involved in determining each activity listed:

"1. Be essential to the defense program or to the minimum civilian health, safety or interest.

"2. Be adequate to meet defense and minimum civilian requirements,

or for which a seriously short supply is indicated.

"3. The current level of employment in the activity must be maintained or increased."

The revised "List of Essential Activities" includes the following groupings:

"4. AGRICULTURE AND COMMERCIAL FISHING

"(a) AGRICULTURE—Production of agricultural commodities for commercial sale, except unusual or luxury items; commercial fishing.

"(b) AGRICULTURAL SERVICES—Cotton ginning and compressing; crop and livestock disease and insect protection services; farm and farm machinery repair and maintenance services; contract and custom services; insemination services; seed processing.

"5. FOOD PROCESSING

"Assembling, processing, and quality control of food and feed products except unusual or luxury items."

In issuing the revised list, Secretary Sawyer said: "The sole purpose of the List of Essential Activities is to serve as a guide in obtaining manpower for the armed services. It is not designed for use in connection with priorities, materials, allocations, rationing preference, or other similar purposes."

PROCUREMENT

PMA Computes Each Canner's 1951 Set-Aside on Vegetables

Canners are reminded of the May 17 deadline by which they are required to report to the Production and Marketing Administration, USDA, their 1950 packs of vegetables subject to set-asides this season.

It is essential that canners fill out and return the "base period pack report" form in order that the Fruit and Vegetable Branch will be able to compute the set-aside quota for each canned vegetable for each canner.

Following is the text of the letter by which each canner will be notified by the Fruit and Vegetable Branch of his set-aside quotas for the 1951 pack:

On the basis of information you furnished on DFO Form-3 "Base Period Pack Report—Canned Vegetables," we have computed (1) your base period pack and (2) the quantity of each canned vegetable you are re-

quired by Defense Food Order No. 2, Sub-Order No. 1 to set aside from your 1951 pack and reserve for Government purposes. Although your report on DFO Form-3 showed your base period production in all sizes and types of containers, and in all types and styles of packs, we have applied conversion factors to your reported figures so as to show your base period pack and set-aside quota for each vegetable, regardless of type or style of pack, in terms of dozens of equivalent No. 2 size cans. These are as follows:

Canned Vegetable	Base Period Pack (doz. No. 2 cans)	Set-Aside Quota (doz. No. 2 cans)
------------------	---	--

[TABLE]

We used the enclosed table of conversion factors in converting your reported base period production into equivalent No. 2 size cans. You, too, should use it in converting the various can sizes of your 1951 production into equivalent No. 2 can size, so that you can maintain a ready comparison of your production with your set-aside quota. Instructions for using these conversion factors are contained at the foot of the table. While the order does not require the set-aside quantity to be in any particular can size, we urge your cooperation in supplying military requirements in preferred container sizes to the fullest extent possible.

The Quartermaster General, U. S. Department of the Army, and his designees, are authorized to buy as much of the set aside quantity as is required by Government Agencies. Actual determination to purchase will be made by the Office of the Quartermaster General. On all matters involving purchase of the set aside canned vegetables, which may include sales negotiations, contracts, inspections, delivery arrangements, payments, and similar activities, your communications should be addressed to the Commanding General, Chicago Quartermaster Depot, 1819 West Pershing Road, Chicago 9, Illinois, Attention Procurement Division for all canned vegetables except asparagus and tomato paste. On such matters relating to asparagus and tomato paste, address your communications to the Commanding Officer, Oakland Quartermaster Procurement Agency, Oakland Army Base, Oakland 14, California.

Other matters, such as determination of the set aside quota, release of quantities from set-aside requirements, petition for relief from hardship, and similar questions involving the administration of the order should be addressed to the Director, Fruit and Vegetable Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Director
Fruit and Vegetable Branch

Invitations for Bids

Quartermaster Purchasing Offices—1819 West Pershing Road, Chicago 9, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

The Walsh-Healey Public Contracts Act will apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The QMC has invited sealed bids to furnish the following:

FRUIT JELLIES—quantities of grape, apple, apple-blackberry, apple-cherry, apple-strawberry, apple-raspberry, apple-elderberry, currant, crabapple and quince jellies, in No. 10 cans and 2-lb. jars, f.o.b. origin. Bids due at Chicago under QM-11-009-51-1647 by May 15.

FRUIT JAMS—quantities of raspberry, cherry, apricot, peach, grape, pineapple, and strawberry jams, in No. 10 cans 2-lb. jars, f.o.b. origin. Bids due at Chicago under QM-11-009-51-1649 by May 17.

SARDINES AND SHRIMP—9,384 No. 1 oval or No. 1 tall cans of sardines in natural oil and 25,584 No. 1 round cans of wet-pack shrimp, all f.o.b. destination. Bids due at New York under QM-30-280-51-1199 by May 16.

The New York Quartermaster Procurement Agency, 111 East 16th St., New York 3, N. Y., also has proposed to negotiate the purchase of the following:

SARDINES AND SEA OR RIVER HERRING—100,000 cases of sardines in No. 1 oval cans and 100,000 cases of sea or river herring in No. 1 oval or No. 1 tall cans, f.o.b. origin. Proposals due at New York under QM-30-280-51-NEG-759 by May 14.

The Veterans Administration has invited sealed bids to furnish the following:

STRAWBERRIES—1,000 dozen No. 2 cans or equivalent in other sized cans, water-pack, f.o.b. destination. Bids due under S-249 by May 28.

PERSONNEL

Wallace F. Janssen Joins FDA

Wallace F. Janssen, well known in reporting food and drug actions, has been appointed Assistant to the Commissioner of Food and Drugs to head up its trade and public information activities.

Dr. Paul B. Dunbar, FDA Commissioner, said that Mr. Janssen's duties will be administrative as well as educational. He said, "Mr. Janssen will undertake activities designed to secure better trade and public understanding of the Federal Food, Drug, and Cosmetic Act, to promote the widest degree of voluntary compliance and consumer understanding of the protection afforded by the law."

Mr. Janssen started his editorial career on the National Grocers' Bulletin, official organ of the National Association of Retail Grocers. Later he worked on the *Northwestern Miller*, and from 1934 to 1943 was editor of *The Glass Packer*. It was in this capacity that he began reporting on

FDA activities. He became news editor of *Broadcasting Magazine* in 1943 and the following year joined *F-D-C Reports*, Washington newsletter specializing in the drug and cosmetic fields.

A. E. Stevenson To Receive 1951 Nicholas Appert Award

A. E. Stevenson, one of the country's leading specialists in the field of food canning technology, has been selected to receive the Nicholas Appert Award for 1951. The award will be presented at the annual meeting of the Institute of Food Technologists in New York June 17-21.

Mr. Stevenson is technical assistant to the general manager of the research department of the Continental Can Company, Inc. He is an outstanding authority on the chemical relationship of foods to metal surfaces. His studies relating to discoloration in canned meats, preservation of color in canned peas, the effects of hard water in canning, and others have led to widespread practical application. His work on the chemical and the electrolytic treatment of tinplate surfaces has resulted in greater stain resistance, and the basic procedure is being utilized commercially on a high percentage of the electrolytic tinplate made today.

His contribution to tinplate conservation was important during World War II, when he was a member of the technical advisory group to the WPB.

Mr. Stevenson joined the staff of the N.C.A. Washington Research Laboratory in 1919 and served as a chemist and canning technologist until going with Continental Can in 1926.

For a number of years he has served on the N.C.A. Processing Committee on Foods in Metal Containers.

BPISAE Appointments

Appointments in the Bureau of Plant Industry, Soils and Agricultural Engineering have been announced by Dr. Robert M. Salter, chief of the Bureau. These appointments were announced incorrectly last week as taking place in another Bureau.

New Assistant Chiefs are Dr. F. P. Cullinan for over-all program operations; Dr. A. J. Moseman for program planning; and Edmund Stephens for administration and business operations. Directors of the research program are Arthur W. Turner for agricultural engineering; Dr. William M. Myers for field crops; Dr. John R. Magness for horticultural crops; and Dr. F. W. Parker for soils.

New Association Members

The following firms have been admitted into membership in the N.C.A. since April 21, 1951:

HILLSBORO CANNING CO., P. O. Box 2228, Tampa, Fla. *Factory*—Plant City. *Products*—Tomatoes. *Officers*—D. J. Apte, R. W. Apte, Ines H. Apte, Daniel Rosenbaum, Samuel Sugarman, partners.

LA FORTALEZA, 1. La Catolica 45 5° Piso, Mexico, D. F. *Products*—Fruits, vegetables. *Officers*—Marcus Kalb, president; Alfonso Flores, assistant manager; Fernando Noriega, sales manager, John H. Kenney, production manager.

MADONNA FOODS, INC., P. O. Box 886, Riverbank, Calif. *Products*—Applesauce, peaches. *Officers*—Peter Morici, president; Martin Morici, vice president and general manager.

MILFORD CANNING COMPANY, Milford, Ill. *Products*—Asparagus, corn. *Officers*—N. C. Smith, president; G. R. Browne, executive vice president; C. H. Chitham, general sales manager.

PORT WRANGELL PACKING COMPANY, 201 Colman Bldg., Seattle 4, Wash. *Factory*—Floater near Chignik, Alaska. *Products*—Clams, crab meat, salmon.

SMITH FROZEN FOODS OF IDAHO, INC., Lewiston, Idaho. *Products*—Applesauce, peaches. *Officers*—Albert T. Smith, president; Milan D. Smith, vice president; Victor R. Smith, secretary-treasurer; L. J. Leavitt, manager.

PUBLICITY

Good Housekeeping

Erva J. Vosburgh's feature article "Corned-beef Hash" in the May *Good Housekeeping* magazine begins, "We think the canning industry has a triumph on its hands. Contemporary corned beef and corned beef hash—as they emerge from the can—are the basis for some of the most succulent dinners in the world. Consider. You heat them in a flash, waste nothing, serve in scores of ways, save money—in fact, please everybody. We're particularly impressed with how good canned corned beef products taste. There's something else about canned corned-beef hash. It keeps indefinitely, so is a perfect emergency solution for last-minute guests."

The article carries 15 recipes and suggestions for using corned beef hash. *Good Housekeeping* has been running a popular series of color photographs of old-time food scenes. The full-page photograph in the May issue shows an old-time kitchen range on which the meal is being prepared. In the foreground is a large skillet of hash. The caption under the photograph reads, "Grandmother spent hours making her corned beef hash. Aren't you lucky—yours comes in a can, and is just as good!"

Parade Magazine

Canned foods were featured by Beth Merriman, food editor of *Parade* magazine, in the Sunday, May 6, issue.

"Light, fluffy corn pancakes with chicken filling, baked in chicken sauce" were pictured in the article "Corn & Chicken Pancakes." About the recipe, which featured canned cream style corn, canned chicken and condensed cream of chicken soup, she said, "Right now, when the high cost of eating is everybody's problem, we suggest this hearty main dish—which makes six inexpensive and delicious servings."

To complete the meal, Miss Merriman suggested vegetable soup, green peas, crisp salad, a dessert of canned cling peach halves and cookies, and coffee.

Better Living

A new five-cent magazine, *Better Living*, which was introduced in the Giant Food Stores with the May issue, features numerous canned foods. The feature article by Esther Kimmel, food editor, is entitled "Quick * Easy * Thrifty."

Subtitled, "Six Delicious Meals-in-a-Dish," it features canned tomatoes, sardines, pineapple, luncheon meat, corn and peaches in the recipes. It is handsomely illustrated by a double-spread color photograph.

Another article "What's Going On in Baby Foods" reported some of the newest strained and junior foods. It begins, "More foods are added constantly to provide variety for the high-chair crowd." A section of the article gives suggestions for using these foods in grown-up meals.

Other menus and recipes also include a generous use of canned foods.

STATISTICS

Per Capita Consumption

Per capita consumption of canned vegetables, fruits and fish increased an average of 6.5 percent in 1950 over 1949 and about 21 percent over 1941, the record prewar year, according to the Bureau of Agricultural Economics.

Per capita food consumption in 1951 is expected to continue at the present high rate. The usual seasonal variations in demand may be expected. The outlook for 1951 production as a whole is favorable. This is indicated by

farmers' intentions to increase acreage on 13 major foods.

Apparent Per Capita Consumption of Selected Food Commodities, 1941, 1949, 1950, and 1951 Preliminary

	1941	1949	1950	1951 Prelim.
(pounds)				
Fruits:				
Canned.....	17.8	17.5	20.8	19.6
Juices ¹	8.5	18.5	18.1	15.1
Vegetables:				
Canned ²	37.1	38.3	41.4	40.3
Frozen.....	.7	8.0	3.3	3.7
Canned fish ³	4.7	4.0	4.8	...

¹ Includes frozen concentrated juices, by market weight. ² Includes asparagus, lima beans, snap beans, beets, carrots, corn, hominy, kraut (including bulk), peas, pickles (including bulk), pimientos, Irish potatoes, sweet potatoes, pumpkin and squash, tomatoes, tomato juice, tomato paste, tomato pulp, catsup, chili sauce, and mixed vegetables. ³ Excludes products containing small quantities of fish, such as clam chowder, etc. Figure for 1950 includes cured as well as canned fish. Data for 1951 not available.

Per Capita Consumption of Tomatoes

BAE also estimates per capita consumption of canned tomatoes and tomato products, on a processed weight basis, as follows:

	1941	1949	1950	1951 Prelim.
(pounds)				
Tomatoes.....	5.77	4.39	4.80	
Juice ¹	4.17	4.57	4.82	
Catsup and chili sauce.....	2.41	2.32	2.47	
Pulp and puree.....	.58	.68	.67	
Paste and sauce.....	1.03	1.98	2.06	

¹ Includes vegetable juice combinations containing at least 70 percent tomato juice.

Lima Beans for Processing

An increase of nearly 16 percent over 1950 in the planted acreage of lima beans for processing is indicated for 1951, according to the Bureau of Agricultural Economics.

Assuming a loss in plantings of about 8 percent, in line with recent years, a planted acreage of 115,450 acres of processing lima beans would result in about 106,000 acres for harvest. This would be about 12 percent more than the 94,410 acres harvested in 1950.

Following is a tabulation of indicated acreages, by states, for 1951, with comparisons with last year:

State	1950 Indicated (acres)	1950 Revised (acres)	1951 Indicated (acres)
New York.....	2,500	3,600	4,800
Pennsylvania.....	3,700	3,500	3,600
Ohio.....	600	680	900
Michigan.....	3,200	2,780	3,000
Wisconsin.....	6,200	5,730	7,200
Delaware.....	17,100	21,000	24,000
Maryland.....	5,300	5,900	5,000
Virginia.....	4,000	4,300	4,300
Washington.....	2,500	2,000	2,400
California.....	21,500	20,100	25,100
Other states ¹	27,170	30,300	34,750
U. S. Total.....	94,270	99,790	115,450

¹ Ark., Colo., Ga., Idaho, Ill., Ind., Iowa, Kans., Minn., Mo., N. J., N. C., Okla., Ore., Tenn., and Utah.

TABLE OF CONTENTS

	PAGE	PAGE
Association Activities		
N.C.A. Board plans full discussion of government control programs.....	193	
Defense		
Ceiling Price Regulation 22.....	193	
Alternate pricing method provided under manufacturers' general ceiling price regulation.....	194	
Code numbers under CPR 22.....	195	
Ceiling prices on food imports.....	195	
Prices under export contracts.....	195	
PMA staff organization.....	195	
Trade Agreements		
Tariffs on canned foods cut in negotiations at Torquay.....	193	
Congress		
Farm labor supply bill.....	193	
Text of parity provision of Defense Production Act with amendments proposed by President.....	197	
Personnel		
Charles W. Crawford succeeds Dr. Dunbar as Chief of FDA.....	193	
Wallace F. Janssen joins FDA.....	199	
A. E. Stevenson to receive 1951 Nicholas Appert award.....	199	
BPISAE appointments.....	199	
New Association members.....	199	
Inspection		
Federal meat grading service.....	195	
Deaths		
George S. Bones.....	195	
Frank E. Brewer.....	195	
Standards		
Grades for sulfured cherries.....	195	
Manpower		
Policies for occupational deferment of reservists.....	198	
Procurement		
PMA computes each canner's 1951 set-aside on vegetables.....	198	
Invitations for bids.....	199	
Publicity		
<i>Good Housekeeping</i>	199	
<i>Parade</i> magazine.....	200	
<i>Better Living</i>	200	
Statistics		
Per capita consumption.....	200	
Lima beans for processing.....	200	